

AR49



42ND
ANNUAL
REPORT
SASKATCHEWAN
WHEAT POOL
REGINA
YEAR ENDING JULY 31
1966



SASKATCHEWAN WHEAT POOL

AIM

To be a farm organization dedicated to the improvement of the social and economic conditions of Saskatchewan farm families.

OBJECTIVES

1. To maintain a democratic structure which provides a forum for the development and promotion of agricultural policies.
2. To increase general understanding and knowledge of co-operative philosophy and to assist in the development of the Co-operative Movement in all its phases.
3. To maintain a well informed membership through educational and informational programs dealing with all aspects of agricultural production and marketing.
4. To promote and develop markets at adequate prices for the products of Saskatchewan farms.
5. To promote and provide co-operative and other services required by farmers in the production and marketing of agricultural products, thereby reducing speculation, manipulation and waste.
6. To create working conditions and training opportunities in which staff members will be encouraged to grow and develop with the organization.





DEC 22 1966

**SASKATCHEWAN
WHEAT POOL**

**42nd
ANNUAL REPORT**

for year ended
July 31st 1966

**REGINA
Saskatchewan**

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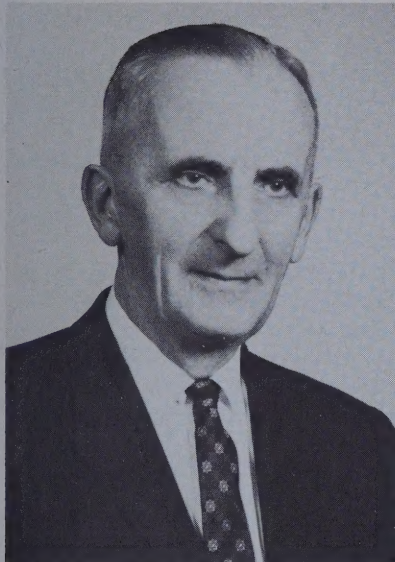


Sunset at Emma Lake

IN MEMORIAM . . .

Before entering upon a review of the various activities of your organization for the past year, your Board of Directors desires to place on record the great loss sustained by the organization and by farm organizations generally, in the death of a number of men who had given freely of their time and talents in building the Saskatchewan Wheat Pool. It is with regret that your Board records the names of some of these leaders who passed away since the last Annual Meeting of Delegates.

Mr. Louis A. Boileau of Prince Albert, served as Delegate for District 15, Sub-district 2, from 1942 until his death in June, 1966. Mr. Boileau had an outstanding career as a farm leader. He was born in Minnesota and moved to Saskatchewan in 1927. He farmed at Hoey and was Secretary of the R.M. of St. Louis until 1947. He became Pool Director for District 15 in 1954, Second Vice-President in 1960 and First Vice-President in 1962. Mr. Boileau represented the Pool on the Board of Directors of the Saskatchewan Federation of Agriculture and became its President in 1962. He was a Director and Executive member of the Canadian Federation of Agriculture. Mr. Boileau was a member of the Board of Prince Albert Co-operative Association, Chairman of P.A. Separate School District, and held many other public and community offices during his career. He was one



Mr. L. A. Boileau

of the representatives of Canadian farmers at several meetings of the International Federation of Agricultural Producers where his ability earned the respect of delegates from many lands.

Mr. Walter D. Brown, who homesteaded in the Loon Creek district in 1901, served as delegate for District 8, Sub-district 3 for one year, 1926-27. Following that, he became Pool agent at Cupar for 20 years. He was active as a band leader and in all co-operative activities. He died at Ladner, B.C. in April, 1966.

Mr. Victor R. Newman of Trossachs, delegate for District 2, Sub-district 10, from 1956 to 1959, died in Regina October 7, 1965. He was born at Spencerville, Ontario, coming with his parents to a homestead near Trossachs. Mr. Newman served on his church board, school board, and as a director of his rural telephone company.

Mr. W. H. Olive was delegate for District 7, Sub-district 7, from 1930 to 1957. He took an active part in all local co-operative activities in the Ellisboro and Wolsley area and in addition served on the local hospital board and was warden of the Anglican Church. Mr. Olive was born at Cotham, north of Broadview in 1888. He began farming in 1913. He died October 8, 1966.

Mr. Henry Rosaasen, one of the original Wheat Pool delegates, representing District 7, Sub-district 10, from 1924 to 1927, died in Preeceville, Saskatchewan, March 4, 1966. He was born at Sacred Heart, Minnesota, coming to Canada in 1904 to homestead in the North Prairie district. Mr. Rosaasen was a charter member of the North Prairie Lutheran Church and a dedicated supporter of community affairs.

Mr. John Sinclair of Limerick served as Delegate for District 2, Sub-district 7, from 1927 to 1950. He was for several years a Director of Federated Co-operatives Limited. Mr. Sinclair was chairman of his hospital board and president of his rural telephone company. He was born at Jackson, Ontario and died at Moose Jaw, January 24, 1966.

Mr. Ronald Smith of Kyle, served as Delegate for District 11, Sub-district 1, from 1928 to 1953. He died at Saskatoon, June 24, 1966. Mr. Smith was born at Gouldbourne, Ontario, and homesteaded near Kyle in 1906. He assisted in the organization of the Kyle Co-operative Association and the Kyle Credit Union. He was a member of school and union hospital boards in the Kyle and White Bear area.

Mr. Lawrence W. Snodgrass, of Preeceville, served as Delegate for District 8, Sub-district 6, from 1938 to 1947. In addition to farming he shipped livestock for the Livestock Pool for many years. He was a member of his local school board. Mr. Snodgrass was born in Goshen, Indiana, coming to his homestead near Preeceville in 1903. He died at Kamsack in March, 1966.

Mr. Edward Sorteberg, of Nokomis, was Delegate for District 9, Sub-district 6, from 1929 until he retired in 1944. He was a loyal supporter of the co-operative movement and gave freely of his time in support of local municipal and school affairs. Mr. Sorteberg died at Nokomis in May, 1966.

Dr. John H. Wesson, C.B.E., of Maidstone, was Delegate for District 16, Sub-district 5, from 1924 until 1960. Mr. Wesson was the third President of the Pool, serving for 23 years in that position. He was an original Pool delegate and director, having involved himself in farm organization work shortly after his arrival from Sheffield, England, in 1907. He had served on the Board of the Saskatchewan Grain Growers' Association and helped with the organization of Saskatchewan Co-operative Elevators Limited. Among the honors in Mr. Wesson's career were his appointment as Commander of the British Empire in 1946, and the honorary degree of Doctor of Laws conferred by the University of Saskatchewan in 1961. Other highlights included his election as the first President of the Canadian Federation of Agriculture in 1936 and his international farm work with the International Federation of Agricultural Producers and the International Wheat Agreement. Above all else, John Wesson was a leader, and his greatest triumphs were achieved in the mass farm delegations to Ottawa in 1942 and 1959.

A sentence in the citation for his honorary degree is a fitting tribute to this outstanding Pool delegate and could likewise serve as the epitaph for those many others who have been honoured in past years at this Annual Meeting of Delegates.

"Wherever the welfare of the Canadian farmer was being discussed, John Wesson was to be found and the weight of his judgment and influence were to be felt."

John Wesson died at Regina, November 13, 1965.



Dr. J. H. Wesson



Chas. W. Gibbings,
President.

A Message from the President

Nature has been lavish this year. Saskatchewan farmers have harvested a record crop. It has been taken off under ideal conditions. We have an abundance of life-sustaining food. How will this and future harvests be used? This is one of the most compelling questions facing the world today.

The United Nations has dedicated the 1960's as the Decade of Development. We are more than half way through it, yet the gap between the well-fed people of the world and those whose constant companion is hunger grows wider instead of narrower.

Many great development projects have been undertaken during this decade and much has been accomplished. But, Mr. Paul G. Hoffman, Administrator of the United Nations development program, has reminded us that population in the under-developed countries is rising almost as fast as production is increasing so that the annual increase in income per capita is only about one per cent. In more favored nations incomes have been rising by three or four per cent a year.

The gap between the "rich" and the "poor" nations is already alarming. Average per capita income in well developed countries is about \$1,074 a year. In the developing countries it is only \$97 a year. Mr. Hoffman estimates that it will not even reach \$200 by the end of the century at its present rate of growth.

This is a dangerously slow pace, because people in the under-developed part of the world are no longer prepared to accept poverty as inevitable. They know—and we know—that the world possesses the means to launch a global attack on poverty, ignorance and injustice. This is the challenge of the Decade of Development.

The bountiful grain harvest which has been bestowed on Western Canada this year is already committed to human consumption at least to the extent that it can be moved to markets at home and abroad. The most recent estimates indicate a crop of 820,000,000 bushels. We can be confident of exporting about 550,000,000 bushels. We will use about 150,000,000 in Canada, leaving 120,000,000 bushels uncommitted.

Unused Productive Capacity

There are no longer large surpluses of food. In the short run, therefore, it will be difficult for well developed countries to increase the amount of food aid to the rest of the world. However, this situation need not persist because there is unused productive capacity in most exporting countries.

It is neither necessary nor desirable that the developed nations assume the responsibility of feeding the hungry in perpetuity. This would solve nothing. What they can and must do is to use their production potential to stimulate greater productivity in the emerging nations. This is what the people in the under-developed countries themselves want. Much of their restlessness today stems from frustration because they are not able to raise their incomes and improve their standards of living fast enough.

Food can and should be used as one of the tools for capital development. It is now being used to sustain workers while they build roads or dams or go to school to learn new skills. Food can be used as a "pump primer" while new countries develop their own agricultural resources.

The developed nations are investing on the average about one-half of one per cent of their incomes in development programs in the poorer countries. The United Nations believes the average should be about one per cent. This is a modest goal when the need is so demonstrably great. Canada's investment in overseas aid this year will be about \$300,000,000. A figure of \$500,000,000 would be more appropriate considering the high standard of living Canadians enjoy.

More than infusions of capital is needed. The economically advanced

countries must make it easier for the emerging nations to sell their products in world markets. They must create the climate for the growth of international trade. This is particularly important to Canadian food producers whose interest parallels that of the emerging nations. It is short sighted to assist people improve their production unless, at the same time, the world offers a ready market for the things they produce.

If the world is successful in promoting greater production and higher standards of living among the "poor" nations and if it provides a framework within which a high level of trade is possible—and I am optimistic on both counts—then we, in Canada, who are producing food for export must be prepared to expand production to meet the challenge of a hungry world.

Prairie agriculture is, in many ways, in a situation similar to that of the under-developed countries. Farmers often suffer from a shortage of capital to make the most efficient use of their resources. And, like the under-developed countries, the terms of trade are frequently unfavorable for the agricultural producer. The two are not unconnected for, if the terms of trade were more favorable, the capital would be more readily available.

Rising Costs of Production Causes Anxiety Among Farmers

Inflation in the Canadian economy is creating particularly serious burdens for prairie agriculture at the present time. Almost every increase in the general price structure, in wages or in interest rates is reflected in the cost of producing agricultural commodities. These increases are the cause of great anxiety among farmers because the prices they receive for many of their commodities move up much more slowly.

This is particularly true of grain. The upward trend in wheat prices which has occurred in the last few months has not yet reached the farmer's pocket. And it will not do so until it is reflected in final grain payments.

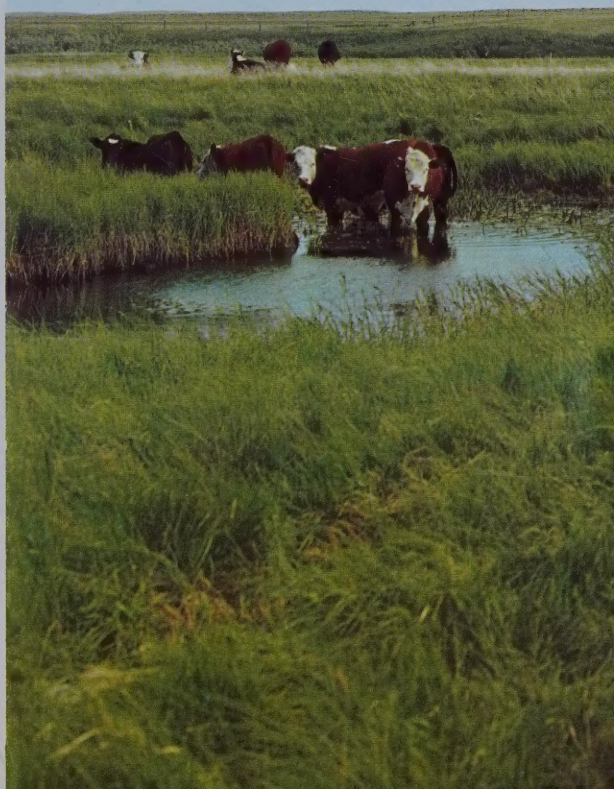
Another source of anxiety about the future of grain prices has been the uncertainty about the direction of farm policy in the United States. Statements by persons in responsible positions in the United States government have given rise to doubts about the future stability of the international market.

While this threat appears to be receding under the impact of heavy world demand for wheat, it has not been wholly removed. It points up in a special way the urgency of maintaining the International Wheat Agreement as an instrument of international co-operation in the world market until such time, at least, as a broader or more effective agreement on trade in agricultural products can be worked out.

The uncertainty surrounding the future of grain prices makes it imperative that farmers and their organizations explore every possible avenue to reduce the costs of production. Co-operative organizations such as Saskatchewan Wheat Pool have a special responsibility in this area, because they supply many of the services farmers need. Our entry into the manufacture of fertilizer in partnership with other co-operatives is one illustration of an effective approach to the reduction of farm costs.

It seems to me that this kind of pooling of resources among co-operatives will become more important as we move into a period when all-out production is demanded of our members. If we and other co-operatives are to provide at lowest cost the complex services farmers require, we should begin now to seek out areas in which, through amalgamation or other appropriate joint action, we can do a better job.

The basic aim of all our co-operative organizations is to help our members and their families improve the social and economic conditions under which they live. We must pursue this objective with vigor and with boldness.





SASKATCHEWAN POOL—BOARD OF DIRECTORS 1966: Front row—Left to right: Gordon South, district 14; A. G. Pederson, district 1; E. K. Turner, district 16; Chas. W. Gibbings, district 11; E. A. Boden, district 12; A. E. Grigg, district 5; Clarence McKee, district 2. Second row—Left to right: I. K. Mumford, secretary; J. W. Marshall, district 15; Walter Melrose, district 4; D. M. Lockwood, district 10; J. R. Stilborn, district 6. Back row—Left to right: E. J. Medhurst, treasurer; J. H. Harrison, district 7; H. F. McLeod, district 9; E. J. Sjolie, district 8; G. C. Anderson, district 3; S. M. Smith, district 13; W. J. Ball, manager, elevator division.



The farm home is at the centre of Pool policy.

The Board of Directors Reports on Pool Policy

The Wheat Pool's aim since its inception in 1924 has been to seek improvement in the social and economic welfare of Saskatchewan farm people and of agriculture. This has been sought in a variety of ways including the encouragement of individual self-help, co-operation among farmers and public policy.

To a great extent improvement is possible through self-help and to this end the Pool has given every assistance and encouragement. Off-farm problems defy individual solution and in this area the Pool has sought to provide a co-operative organization for the solution of problems

individual farmers cannot solve by themselves.

Beyond farmer control are public policy questions both at home and abroad which cannot be resolved by either self-help or co-operative action. These require government action by both provincial and federal governments and sometimes by international agreement. In this context the Pool supports the broad range of policies set out below.

The Challenges:

There is growing evidence that hunger and famine are likely to increase through-

out many areas of the world, perhaps to catastrophic proportions. Population growth, especially in parts of the Far East, Africa and Latin America has begun to cancel out impressive per capita food production gains of recent years. World population is now more than three billion and could double before the end of this century to six billions. The world's ability to produce food has not shown similar gains and the gap between food and famine is widening.

At home there is a challenge of a different sort. Despite improvement in farm productivity, farm costs related to



Serene setting for Saskatchewan farmstead.

the production of wheat and other commodities continue to rise faster than prices for the wheat produced. Some farmers have urged strike action against both supply purchase and delivery of farm produce to call public attention to their mounting concern.

Under the circumstances, your Board believes that it will be essential for strong government measures to be undertaken either to control inflationary pressures or greatly to improve farm prices. High volume wheat exports tend to counteract the price discrepancy but it remains all the same.

The Wheat Pool has pressed both at home and abroad for substantial increases in world wheat prices and will continue to do so at every opportunity. While the Pool must be continually alert to new needs of its members it must also press for new approaches to long-standing problems that seem to remain.

There is yet another challenge for 1967. Some who farm in Saskatchewan and elsewhere need real help to improve their farm operation if they are to continue to farm, and special rehabilitation assistance if they are to move out of farming. This is a question which demands special consideration in a time of general prosperity and rising expectations.

Pool Program for Action in 1967

To meet the challenges of today and tomorrow at home and abroad your Directors propose a three-part program for action in the coming year.

A. World Food Requirements

Increase technological aid and assistance to countries with rising populations and poor food production. This requires help to improve actual food production as well as the economy's total productive capacity.

Improve the conditions for trade among all countries. This means not only freer movement of food and food products from producer to consumer countries, it also means better opportunity for the underdeveloped to sell their goods and services to the developed countries from whom they must buy food. In terms of trade in wheat it means an improved International Wheat Agreement including all wheat exporters and importers and realistic minimum and maximum prices.

Improve international food aid programs. As a start Canada might support proposals to increase national food aid contributions to one percent of gross national product. For Canada this would mean an estimated \$500 millions for next year.

B. To Meet New Technology:

Changing Technology requires individual farmers and their co-operative

Wheat Pool to exercise increased vigour to keep abreast of the change and to show exceptional drive and skill to forge ahead. In the coming year your Directors urge action to:

- Extend Wheat Board jurisdiction to the marketing of rye, flax and rapeseed;

- Amend the Canada Grain Act as may be required to meet a changing market demand;

- Improve the farmer's opportunity to deliver more bushels of grain to the country elevator of his choice;

- Encourage hog producers to determine whether they want a marketing board or a commission plan for the marketing of hogs;

- Support quality improvement recommendations for both beef and hog production;

- Establish some form of national labor-management court;

- Assure continuance of the Crowsnest Pass statutory grain rates;

- Maintain Seaway tolls at their present or lower levels on ships and cargo navigating the St. Lawrence Seaway;

- Maintain an efficient and modern plant for the handling of the members' primary grain and livestock and the distribution of

supplies and services; this means that Pool members must be prepared to meet the cost of introducing new plant and services;

- Study the possibility of establishing by ourselves or in joint venture with other co-operatives facilities for the marketing of feed grains, prepared livestock feeds and other services related to the livestock industry;

- Determine how best to meet an increasing demand among farmer-members for a comprehensive farm management service including production advice, accounting, and enterprise analyses.

C. To Improve Income:

Poverty is both relative and subjective. The Pool considers poverty to embrace both inadequate education and poor health as well as the market-oriented factors having to do with standard of living and there is ample evidence of poverty by whatever standard it is measured.

In the coming year your Directors urge action to:

- Improve availability of training courses in farm operation, maintenance and management as well as opportunity in local areas for practicing farmers to

attend;

- Increase financial assistance for off-farm training in the farming skills and alternatively to develop skills in non-farm occupations for those who wish to leave the farm;

- Study land tenure arrangements to determine how best to secure farm land in the hands of Saskatchewan farmers;

- Improve land transfer arrangements to give farmers who want to retire opportunity to recover their asset in cash and to provide increased opportunity for those who want to improve their land base to acquire additional acreage;

- Protect the Pool's operation as a co-operative from discriminative legislation or practice which could inhibit the Pool's ability to provide the best possible service to its members at the lowest possible cost;

- Seek improvement in net farm income for the families who operate Saskatchewan farms. This is part of the Pool's principal aim and poses a never-ending struggle which is often upset by inflationary pressures outside of agriculture.

Taken together these proposals form a program for action which your Directors are pledged to pursue.



Harvest in Saskatchewan's parkland—in 1966, a record crop.

Saskatchewan Wheat Pool

Consolidated balance

AUDITORS' REPORT TO SHAREHOLDERS

Saskatchewan Wheat Pool,
Regina, Saskatchewan.

We have examined the consolidated balance sheet of Saskatchewan Wheat Pool and its subsidiary companies Saskatchewan Pool Elevators Limited, Saskatchewan Pool Terminals Limited, Saskatchewan Co-operative Livestock Producers Limited and Modern Press Limited as at 31st July 1966 and obtained all the information and explanations we required. For each company we have made a general review of the accounting procedures and such examination of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the various companies, the accompanying consolidated balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the organization's affairs at 31st July 1966 in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year. In our opinion, all the transactions of the companies that have come to our notice have been within the objects and powers of the companies.

Touche, Ross, Bailey & Smart
Chartered Accountants.

Regina,
23rd September 1966.

ASSETS

CASH	\$ 5,983,791
ACCOUNTS RECEIVABLE	5,661,482
PREPAYMENT ON 1965-66 INCOME TAXES	356,014
STOCKS OF GRAIN	86,603,607
STOCK IN TRADE	5,112,082
MANUFACTURING SUPPLIES	118,513
PREPAID TAXES, INSURANCE AND OTHER EXPENSES	625,077

Total Current Assets.....\$104,460,566

ACCOUNTS RECEIVABLE DEFERRED	77,917
INVESTMENTS AND MEMBERSHIPS, at cost	8,985,743
FIXED ASSETS, at cost (Note 1)	

Sites, Building, Machinery and Equipment.....\$98,526,395
Less accumulated allowance for depreciation..... 61,578,865

36,947,530

DEFERRED CHARGES

Stocks of Repair Parts and Supplies..... 299,848

\$150,771,604

On behalf of the Board

Chas. H. Smith Director
E. H. Turner Director

NOTES TO CONSOLIDATED BALANCE SHEET

1.—Provision for depreciation has been made for a full year on all depreciable assets by the diminishing balance method at the rate of 20% on automobiles, 15% on certain machinery used by the printing and publishing division and at normal maximum rates allowed under income tax regulations.

2.—The allocation of the amount of \$9,339,343 shown as Unallocated Surplus 1965-1966 will be made on the basis of the resolution of the Delegates at the annual meeting in November 1966. In view of the Company's large capital commitments it is thought likely that a substantial portion of this amount will be transferred to Terminal Loan. The amount of this transfer together with the amount transferred to Reserve will thereby increase the working capital of the Company as shown on the Balance Sheet.

3.—As at 31st July 1966 capital commitments totalled \$21,891,000 and included buildings and work under construction and equipment under purchase.

and Subsidiary Companies

Sheet at 31 July, 1966

DIRECTORS' REPORT ON CAPITAL STATEMENTS

LIABILITIES AND CAPITAL

CHEQUES AND ORDERS OUTSTANDING.....	\$ 29,011,023
BANK LOANS.....	18,600,000
NOTES PAYABLE.....	10,175,000
PROVISION FOR 1966-1967 PURCHASE OF DEDUCTIONS.....	1,409,700
UNALLOCATED SURPLUS 1965-1966 (Note 2).....	9,339,343
ACCOUNTS PAYABLE.....	26,614,971

Total Current Liabilities.....	\$ 95,150,037
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MORTGAGES PAYABLE.....	241,866
TERMINAL LOAN.....	9,919,954
ELEVATOR DEDUCTIONS.....	21,159,925
COMMERCIAL RESERVE.....	11,402,480
LIVESTOCK EXCESS CHARGES CREDITS.....	95,149

CAPITAL

Authorized

200,000 shares of \$1 each.....	\$200,000
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Allotted and fully paid, 141,227 shares.....	141,227
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RESERVE.....	12,660,966
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\$150,771,604

COMMITMENTS AND GUARANTIES (Notes 3 to 6)

The notes to the consolidated balance sheet are an integral part of the balance sheet

BALANCE SHEET

4.—Under the Improved Retirement Plan there is a liability for past services as valued by actuaries requiring annual payments of \$137,000 to Saskatchewan Wheat Pool Retirement Fund for the next nine years together with annual payments of \$11,600 for approximately three years in respect of hourly employees' past services. As a result of a revision of the Retirement Plans as at 1st January 1964 actuaries estimate that the increased liability for past services will require additional annual payments of approximately \$302,000 for the next seventeen years.

5.—There is a liability of undetermined amount in connection with unexpired subscriptions to The Western Producer.

6.—There is a continuing guaranty in connection with loans made to livestock feeders by Saskatchewan Co-operative Credit Society Limited and various credit unions.

Copy of the Consolidated Balance Sheet approved by the Company's Auditors appears on this page. This statement sets out the combined financial position of the Saskatchewan Wheat Pool and its subsidiary companies as at July 31, 1966.

Total current assets of the entire Pool organization at July 31, 1966, amounted to \$104,460,566, and total current liabilities amounted to \$95,150,037. The difference between these two items, namely \$9,310,529, represents the current position of the Company at the end of the fiscal year.

The original cost of all fixed assets amounted to \$98,526,395. Over the years depreciation amounting to \$61,578,865 has been provided, leaving the net value of the fixed assets at \$36,947,530. This compares with a net valuation of \$33,783,838 for the previous year, which represents an increase of \$3,163,692.

Saskatchewan Wheat Pool spent \$7,189,379 on fixed assets during 1965-66 with current capital commitments of \$21,891,000 remaining at July 31. This compares with \$10,007,648 expended and \$22,439,000 committed in the previous year. The major commitment of \$18,294,200 is for the Vancouver terminal.

As indicated above, an estimated \$9,310,529 in capital funds is available to be applied against current capital commitments which amount to \$21,891,000. This leaves a balance of \$12,580,471 which must be financed. It will be recommended that a portion of this be obtained from the 1965-66 unallocated surplus. The balance will have to be financed from depreciation, future earnings or outside sources.

Statement of Combined Operations

The financial result of the combined operations of all divisions of the Pool for the year ended July 31, 1966, is as follows:

OPERATING SURPLUS

Country Elevator Division—			
Grain.....	\$5,671,638		
Farm Service Department.....	83,504	\$ 5,755,142	
Terminal Elevator Division.....		4,882,279	
Flour Mill Division.....		(66,659)	
Vegetable Oil Division.....		133,505	
Livestock Division.....		192,266	
Printing & Publishing Division—			
Job Printing Department.....	\$ 113,124		
The Western Producer.....	(260,614)	(147,490)	
Total Operating Surplus.....		\$10,749,043	

NOTE: Figures shown in brackets are losses.

DISTRIBUTION OF EXCESS CHARGES

The Board recommends that surplus earnings for the year 1965-66, allocated to Excess Charges Refund and amounting to \$9,351,790, be distributed in proportion to patronage on all grains, including cereal seeds, livestock and on fertilizer purchased during the year on the following basis:

1. GRAIN:

- (a) Patronage dividend at the rate of 6/10c per bushel to be credited to members (estimated)..... \$1,409,700

(Proceeds to be used to purchase equities of members in eligible categories as previously determined by the Board, provided that members whose equities have heretofore been purchased shall be paid their share in cash.)

- (b) Patronage dividend at the rate of 3.29c per bushel to be credited to members and retained as a loan according to the Articles of Association (estimated)..... \$7,706,515

(Members whose equities have heretofore been purchased shall be paid their share in cash.)

2. FERTILIZER:

- Cash patronage dividend at the rate of 2.36 percent of the sales price of fertilizer purchased by patrons (estimated)..... \$ 75,000

3. LIVESTOCK:

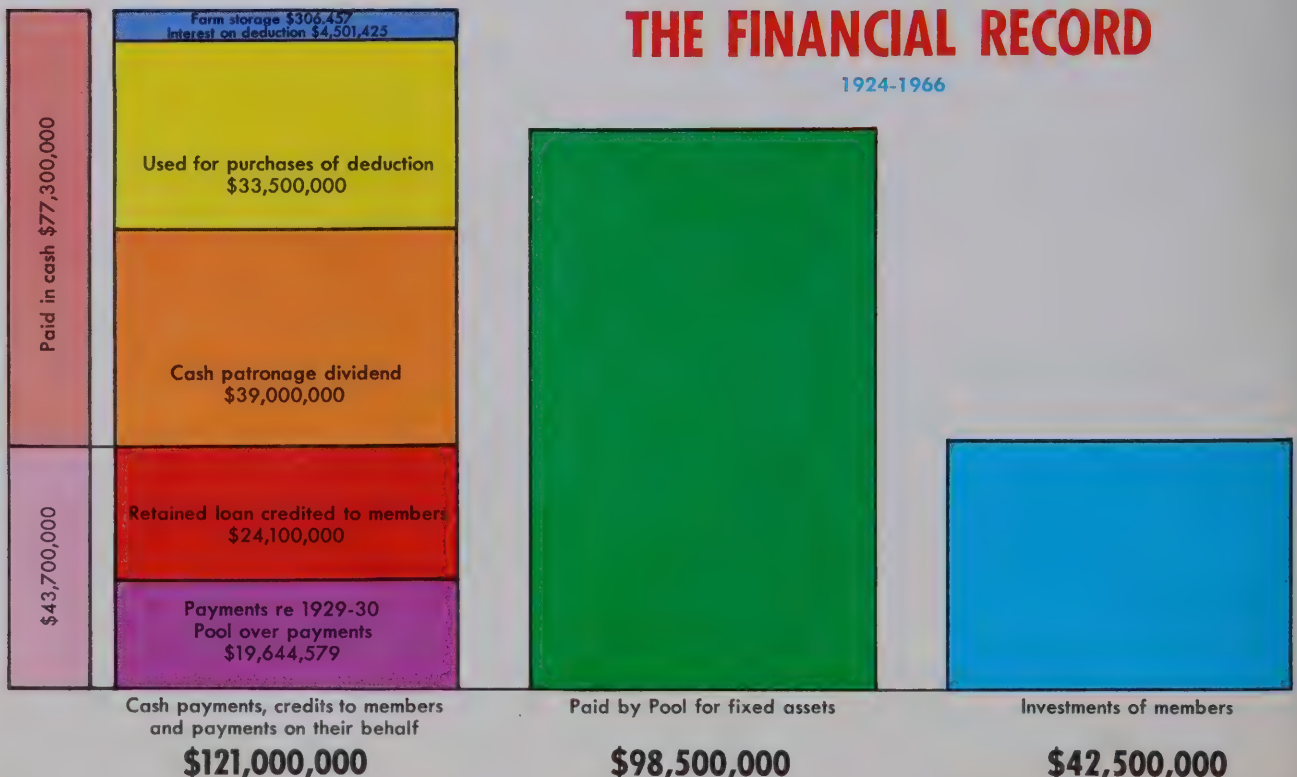
- Patronage dividend to be credited to members at following rates per head: Cattle 34c; calves 17c; hogs 8c; sheep, lambs 9c and retained as a loan (estimated)..... \$ 160,575

(When a member's loan accumulates to \$25 or more, the amount of the dividend exceeding \$20 will be paid in cash. Members whose equities have heretofore been purchased shall be paid their share in cash.)

TOTAL..... \$9,351,790

THE FINANCIAL RECORD

1924-1966





Pool Country Elevators offer 90,000,000 bushels of storage space.

Country Elevator Division

Saskatchewan farmers delivered 238,000,000 bushels of all grains to Wheat Pool elevators during 1965-66. This compares to 197,000,000 bushels during the previous crop year. The 1965-66 figure approached the record of 244,600,000 set in 1963-64. A good crop and strong market demand maintained good grain movement throughout the year.

Pool elevators handled 54.7 percent of the total grain deliveries in Saskatchewan in 1965-66. This was an increase of 1.5 percent from the previous year. This achievement was the result of good work on the part of the country staff and strong support from Pool members.

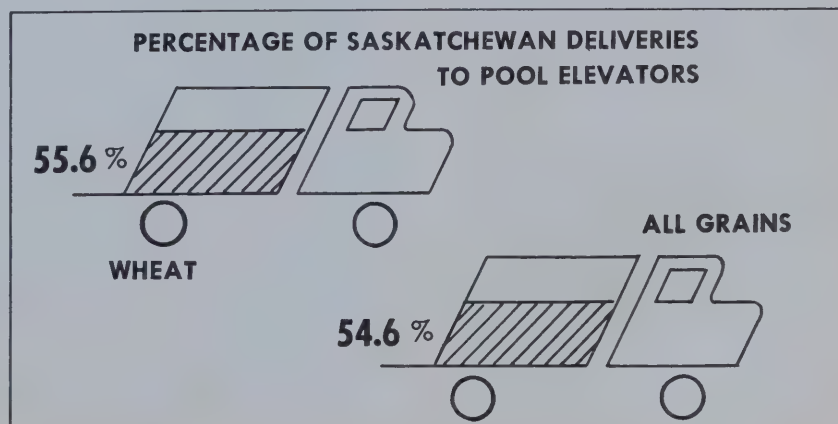
Net earnings of the country elevator division for 1965-66 were \$5,600,000 compared to \$3,331,000 the previous year. Earnings per bushel handled were 2.38 cents in 1965-66 compared to 1.67 cents in 1964-65. The notable improvement in handlings and higher average stocks in store during the year were major factors responsible for the increase in earnings per bushel.

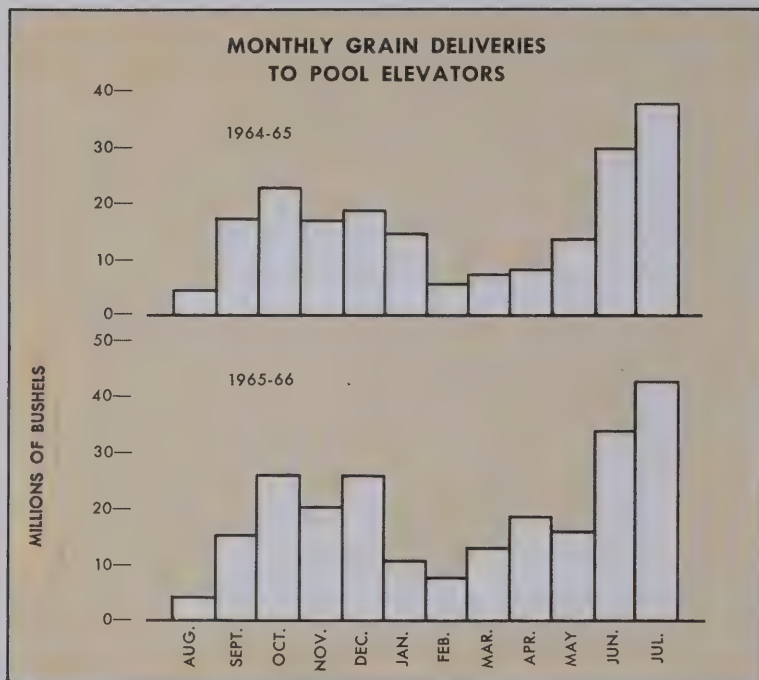
Deliveries to country elevators were higher during 1965-66 than the previous year and were more stable than in 1964-65. Much of the credit for better distribution of deliveries was due to the educational program conducted by delegates and Pool committees to encourage deliveries earlier in the crop year. The campaign brought good results in April,

May, June and July. During July, 1966, the country system handled a one-month record of 44,522,765 bushels.

Daily average stocks-in-store of all grains during 1965-66 was 56,450,709 bushels as compared to 52,979,996 in 1964-65.

During part of the year there was ample space in Saskatchewan Pool





elevators for additional deliveries. However, there was generally good grain movement throughout the year. Mill orders for 7,848 cars of wheat were allocated to the Pool as compared to 6,854 cars in the previous season.

During the 1965-66 crop year more than 14,000,000 bushels of grain were cleaned at Saskatchewan Pool elevators. This was an increase of more than 500,000 bushels from the previous year.

Malting barley premiums of 5 cents per bushel were obtained on 2,338,455 bushels of consigned barley during 1965-66, amounting to \$116,923. This compares with 2,216,166 bushels for premiums of \$110,808 in the previous season.

Average dockage for the year on graded receipts at country elevators was 2.5 percent. Average dockage on this grain going into terminals was 2.45 percent or a gain of .05 percent.

Improvement of Elevator System

Once again an active program of elevator maintenance was carried out during the year. Total appropriations for construction, re-construction and repairs to elevators, annexes and dwellings amounted to \$5,600,000. Of this amount \$4,400,000 was allocated to construction of new elevators and annexes and re-construction and improvement of existing elevators. Almost \$2,000,000 was spent on maintenance and repair of

elevators. Construction and improvement to agents' dwellings accounted for \$558,000. In addition, construction of Farm Service Centres, small warehouses, steel bins and alterations amounted to more than \$687,000.

Sixteen new elevators were authorized during the year, one of them at Admiral to replace an elevator lost by fire. Six new annexes and 20 circular steel bins were also authorized for this year's con-

struction program. New houses were built for agents at 28 points and two were purchased.

When the year's construction program is completed, total capacity of Saskatchewan Pool country elevators and annexes will be 90,703,000 bushels. Capacity at the close of construction in 1965 was 89,700,000 bushels. This gives an increase for 1966 of more than 1,000,000 bushels.

Greater Operating Efficiency

Improvements to the country elevator system to give better service to producers and to improve operating efficiency included installation of 16 new grain cleaners and transfer of 10 others. Installation of 40 ton scales was completed at 20 elevators and car pullers put in at 40.

Your Board recognizes the importance of maintaining the country elevator system at peak operating efficiency. It is the only way to adequately meet the needs of its farmer-members. Construction costs continued to rise. Average increase of all costs was 7 percent. An increase of 10 percent in the carload price of lumber contributed much to higher costs. Construction of a 65,000 bushel elevator now costs about \$1.63 cent per bushel of space provided. Ten years ago the cost was only 80 cents a bushel. Elevators with a capacity of 140,000 bushels cost about \$1.21 cents per bushel in 1965-66.

Agent weighs grain before loading box car on way to terminal.



Farm Service Department of Elevator Division

Volume of sales through the Farm Service Department of the Pool's Country Elevator Division increased by 90 per cent in its third year of operation. The increase was largely the result of supplies of fertilizer becoming available from Western Co-operative Fertilizers Limited. However, sales of almost all products increased substantially. Total sales through the department amounted to \$7,883,481 in 1965-66 compared to \$4,155,810 the previous year.

The department earned a surplus of \$83,500 in 1965-66. During the previous year, it operated at a loss of \$30,000, reflecting much reduced sales opportunities arising from the shortage of fertilizer experienced in 1964-65.

Farmers Demand Better Service

It is evident from the experience of the first three years of operation that farmers are demanding first class service and that they will require increasing quantities of chemicals, fertilizers, seed and other pro-



Farm Service Centre at White Fox processes alfalfa meal in addition to distributing farm supplies.

duction tools. As the volume of sales increases and more products are added, unit costs will be reduced and greater savings returned to Pool members.

Three new Farm Service Centres were brought into operation during the year. They were at Swift Current, Whitewood and Humboldt. Three more have been authorized and are now under construction. At July 31, 14 Centres were in operation. Total investment in service centres, warehouses and equipment at the end of 1965-66 was nearly \$2,000,000. The program of building farm supply warehouses at selected elevator points was

continued during the year. At the end of July 1966, 286 warehouses with a capacity of 18,370 tons of fertilizer were in use.

A summary of the volume and value of sales through the department is shown in the adjacent panel.

Farm Supplies Section

Sales of fertilizer totalled approximately 34,000 tons. Fertilizer supplies were not available from the farmer-owned Calgary plant until November 1965, and this delay resulted in considerable loss of sales during the early fall season. Bulk fertilizer was available at the centres at Rosetown, North Battleford, Melfort and Yorkton. The department has 80 fertilizer spreaders available for rental.

Sales of chemicals through the Farm Service Department were 45 percent higher than in the previous year. It is believed that the Pool is now the largest retailer of agricultural chemicals in Canada. Sales of chemicals for wild oats control increased substantially and the department enjoyed a large share of this market. New products added during the season, included tarpaulins, swather canvases, field sprayers and parts, and steel grain bins.

Seed Section

Sales of cereal seed were 32 percent higher in 1965-66 than in the previous

SUMMARY OF PRODUCT SALES

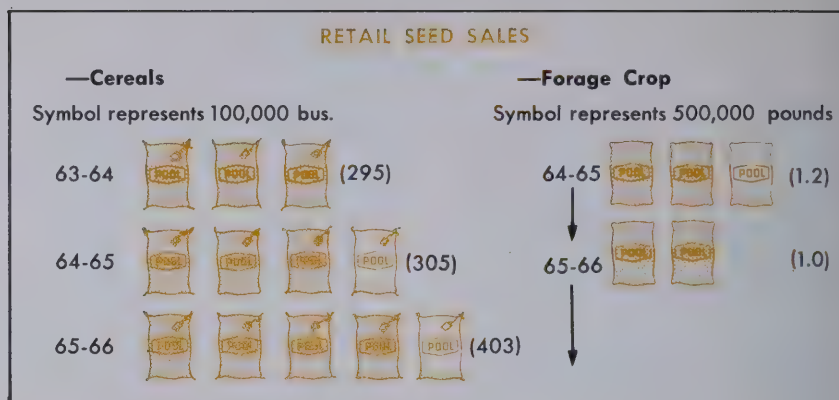
	1965-66	1964-65	1963-64
Fertilizer.....	\$3,176,000	\$ 508,000	\$1,753,000
Chemicals.....	2,259,000	1,558,000	827,000
Twine.....	499,000	347,000	95,000
Seed Grain.....	1,151,000	978,000	802,000
Forage Crop Seed.....	642,000	722,000	—
Alfalfa Meal.....	51,000	13,000	—
Miscellaneous Products.....	105,000	29,000	—
Total.....	\$7,883,000	\$4,155,000	\$3,477,000

year. Total sales were 403,432 bushels of which 220,000 was wheat and 55,600 conquest barley.

The department embarked on a program of distributing certified seed in bulk through farm service centres at Moose Jaw, Weyburn and Yorkton. More than 55,000 bushels were sold in bulk from the three centres. This was a successful program indicating that bulk trade may develop rapidly.

Another major program involved contracting with growers for the production of the Manitou wheat. Bad harvest conditions in the fall of 1965 hampered its development. However, in 1966, contracts were signed covering about 12,000 acres of Manitou seed production.

The department handled about 4,000,000 pounds of forage crop seed in 1965-66 of which about 80 percent was bought on a pooled basis. Retail sales within the province were 1,200,000 pounds or about 20 percent more than in the previous year. Nearly 1,600,000 pounds were sold wholesale, that is they were sold in other parts of Canada or exported. The wholesale trade dropped slightly from the previous year because some popular varieties were in short supply. Substantial



inventories of rambler alfalfa, brome grass, sweet clover, russian wild rye and climax timothy will be carried into the new year.

Considerable contract production was undertaken on varieties such as carlton brome, vernal and rambler alfalfa, and lakeland red clover.

Forage seed was pre-packaged and sold in 5-acre units according to recommended seeding rates. Only seed of certified No. 1 or Canada No. 1 grade was retailed to Saskatchewan farmers.

Technical Services

The principal function of this section is to assemble technical information for the department and for elevator agents. Tests on new products, seed treatments and fertilizers are conducted in the field and special crop problems are investigated. A new seed laboratory, providing germination service to members, was installed at the Moose Jaw Farm Service Centre and 31,353 germination tests were conducted. The section is also responsible for the Pool crop report.

Farm Service Centres are retail outlets and Regional warehouses.





Boat loads at terminal 6, one of eight owned by Pool at Lakehead.

Pool Terminals Set New Records in 1965-66

Grain movement through Saskatchewan Pool terminals at Vancouver and the Lakehead reached an all time high during the 1965-66 season. Handlings for all Pool terminals were 204,000,000 bushels in 1965-66. The previous mark was 184,000,000 bushels established during the 1963-64 season.

Net earnings amounted to \$4,800,000, up from \$2,600,000 the previous year. Net earnings per bushel increased substantially from 1.691 cents in 1964-65 to 2.392 cents this season.

Saskatchewan Pool operates eight terminals at Fort William, Port Arthur with a total capacity of about 36,000,000 bushels. These elevators received more than 176,000,000 bushels in 1965-66, an increase of 40,000,000 bushels over the previous year. At Vancouver, where the Pool operates one terminal of 1,650,000 bushel capacity, handlings rose from 21,000,000 bushels last year to almost 28,000,000 bushels in 1965-66.

Pool terminals handled 36.6 percent of all grain moving through the Lakehead during the year. This was the highest percentage on record. In 1964-65, the Pool's share was 35.6 percent. At Vancouver the Pool terminal handled 11.6 percent in 1965-66, down slightly from 11.8 percent the previous season.

Wet weather during the 1965 harvest created substantial problems in terminal positions. Pool terminals at the Lakehead dried 21,500,000 bushels during the year. This was a record volume. Pool driers in Vancouver reconditioned 1,890,000 bushels during the 1965-66 season. This compares to 12,000,000 bushels at the Lakehead and 1,850,000 bushels at Vancouver the previous year.

Export Department

Export and domestic sales handled by the export department during the 1965-66 season amounted to 14,500,000

bushels of all grains, as compared to 5,500,000 bushels the previous year.

New Vancouver Terminal

The foundation and piling phase of the new Vancouver terminal was completed during the year under review, and costs for this portion were well within the budget estimates.

Tenders for construction of the workhouse and annexes were opened March 23, 1966. On the basis of the lowest tender received, the cost of the terminal is now estimated at \$20,418,000, an increase of \$4,700,000 over the previous estimate.

A decision to proceed was delayed for two months while:

- (1) Management and consulting engineers reviewed plans to determine if any items could be eliminated or deferred;
- (2) The Treasury Division re-examined financial plans, with particular reference to the estimated operating budget based



Good progress is being made on construction of Saskatchewan's Pool new 5,300,000-bushel terminal at Vancouver. Top photo shows workhouse rising above tideflats on North Shore. Excavation in foreground is basement of trackshed; middle picture shows concrete footings to carry grain tanks of east annex, piling and reinforced concrete below footings support the structure; bottom shows reinforced concrete slab poured on footings to support west annex. Photos were taken October 14, 1966.

on the increased capital costs and possible methods of financing the additional cost;

(3) Representations were made to the Government of Canada, the Canadian Wheat Board and the Board of Grain Commissioners to seek assistance in constructing the plant. Particular emphasis was placed on the value of this facility to the national economy. The problems of undertaking the project were outlined because of the high capital costs and the operating losses which would occur at existing tariff levels.

The above studies and representations served to confirm the following situation:

(1) On the basis of marketing trends and goals, there is a need for additional terminal facilities of this size and capacity at Vancouver;

(2) At the existing capital costs and terminal tariffs, and estimated yearly handlings at 50,000,000 bushels, there would be substantial losses on operations in early years;

(3) There was no current possibility of Federal Government assistance or joint ownership or operating agreements with other companies which would improve the economics of the operation;

(4) Unless the Saskatchewan Wheat Pool continued with its plans, the terminal improvements needed at Vancouver to meet the needs of grain producers would not be provided by any alternate means.

In light of these circumstances, the Board awarded the final contract in May, 1966, to Marwell Construction Company Limited and the Dillingham Corporation of Canada Limited. Target for completion of the new terminal is November 30, 1967.

Terminal Capacity 5,300,000 Bushels

The new Vancouver terminal has a total capacity of 5,300,000 bushels of grain, and can handle 50,000,000 bushels of all grains per annum. It is equipped to unload grain up to 250,000 bushels per day, and to clean for export at the same rate per day. It can load vessels at the rate of 110,000 bushels per hour, with the ability to load two vessels at the same time.

Pool members, through their own organization, are making a substantial investment in new grain handling facilities. Your board is of the opinion that this investment will pay good returns in ability to meet future market requirements in the most efficient manner.



Field of rape in bloom—a popular crop in parts of Saskatchewan.

Vegetable Oil Plant Increases Production

Operating results at the vegetable oil plant were greatly improved during the 1965-66 season. Operations of the division resulted in a surplus of \$133,500, compared to a loss of \$323,000 in 1964-65.

This improvement was mainly attributable to two factors: A substantial decrease in the average cost of rapeseed and flaxseed for processing and increased selling prices for rapeseed oil and the larger volume of rapeseed processed.

The plant operated 273 days as compared to 196 days the previous season. With the record rapeseed crop, seed was available for the first time in many years for processing throughout the season. Following a thorough analysis of plant operations, several operating changes were made which resulted in an increase in daily production. Further modifications to improve efficiency are being planned.

Change in Grading Urged

During the season, crushers in Western Canada made representations to the Board of Grain Commissioners requesting

changes in the grading specifications whereby immature and green seed would be recognized as a detrimental factor in the grading standard. The Pool board is of the opinion that, unless stricter specifications are enforced, it will be difficult to maintain the quality of oil required by the domestic market or to meet the requirements of overseas buyers. Growing concern has been expressed by some overseas importers with respect to the quality of Canadian rapeseed.

Processing of flax seed was confined to a seven day period in 1965-66 to meet requirements of buyers who take linseed oil in small lots. Production for carlot shipments proved to be uneconomical at the differentials between prices for seed and oil and was therefore not undertaken during the year under review.

Quantity of flax processed was 19,500 bushels compared to 98,000 the previous year. Processing resulted in production of 399,000 pounds of oil and 335 tons of meal. Oil sales during the year were 571,000 leaving a carryover of 375,000 pounds. Year-end stocks were down from

550,000 at the end of 1964-65. Oil prices showed some improvement during the year but this was offset to some extent by lower prices for seed meal.

Daily Output Increased

The plant operated 266 days processing more than 1,000,000 bushels of rapeseed. The previous year, 580,000 bushels of seed were processed in 161 days. Average through-put in 1965-66 was about 3,800 bushels per day compared to 3,600 the previous year.

The plant produced 19,400,000 pounds of rapeseed oil and 14,500 tons of meal. Sales were nearly 18,000,000 pounds of oil and 14,000 tons of meal. Prices of both meal and oil were slightly better than in the previous year and more favorable in terms of the price of seed.

The elevator at the vegetable oil plant took in more than 1,200,000 bushels of grain during the year. Of this amount, 189,000 bushels were delivered direct from the farm and the balance was received in carlot shipments. Farm deliveries of rapeseed amounted to nearly 180,000 bushels.



Market Squeeze Pinches Mill

Small increases in domestic and export sales were recorded in operation of the Saskatchewan Pool flour mill at Saskatoon. Operating time showed an increase of five percent over the previous year to reach approximately 80 percent of possible time. Flour production increased slightly and daily average production was a little higher than in the previous year.

In spite of these improvements, loss on the mill operations increased from \$35,000 in 1964-65 to \$66,600 in 1965-66. Market factors, particularly in Western Canada, were adverse throughout the year. Selling prices of mill products were depressed by stiff competition within the industry.

The Canadian milling industry continues to face major problems in the export market. A number of adverse factors confront the industry. Construction of mills in newly developing countries closes some markets to Canadian mills. The expansion of the United States foreign aid program affects others.

Sales to United Kingdom Drop Sharply

It is estimated that Canadian flour sales to the United Kingdom have declined by 500,000 hundredweight for the second year in a row. This has caused widespread concern throughout the Canadian milling industry because Britain has been a major traditional market. The Board of Saskatchewan Pool has expressed its anxiety because this market is of particular importance to the Pool mill in its overall production program.

Commercial export sales for Canadian flour are down from the previous year. Canadian flour imports have declined drastically in Africa, West Indies, Caribbean and Central American markets. Part of the African market may be recovered when political and financial conditions level out. There is also a possibility that assistance in the form of flour under the United States foreign aid program will be curtailed in Africa and, if this happens, some of the markets lost to Canadian mills as a result of the aid program may be regained.

Canadian Aid Increases Flour Exports

Offsetting the losses in commercial markets have been the sales made to the Canadian Commercial Corporation during the year under Canada's aid program, amounting to 1,600,000 hundredweight. This is an increase of 1,000,000 hundredweight from the previous season, and is probably a new record for this program. Recipient countries were India, Korea, Ceylon and Burma, with India receiving approximately 34 percent of the total aid. The Indian contract called for a 90 percent extraction rate, which presented a unique challenge to Canadian mills. The necessary technical adjustments were achieved, however, and the specifications were met.

The Russian contract for 1965-66 amounted to 300,000 long tons of flour. Shipments under this contract were extended through August and September 1966. A new contract has been negotiated with Russia providing for annual shipments of 300,000 long tons of flour over the next three-year period. This will be a valuable contract to the industry providing a basis for operation for the next three years.

Total wheat receipts at the mill in 1965-66 amounted to 2,250,000 bushels of which 42 percent graded No. 2 and 32 percent No. 3. Receipts were 21,000 bushels higher than the previous year. Street receipts rose by 58,000 bushels to reach 650,000 for the year.

Printing and Publishing

The Printing and Publishing Division maintained a high level of service to the organization and to the agricultural community throughout the year. Western Producer circulation at the year-end was close to 150,000 copies per week, advertising lineage had increased and additional emphasis given to coverage of the business aspects of farming. Sales through the commercial printing department exceeded \$1,000,000 for the first time and its operating surplus also reached a new record.

Commercial Printing Department

The Commercial Printing Department enjoyed a most successful year of operations. Sales volume maintained a consistently high level throughout the year, exceeding \$1,200,000. An operating surplus of more than \$113,000 also established a new record.

Increased business was obtained from a wide variety of sources. Encouraging progress was made in the development of work for the web offset equipment.

The Western Producer

The Western Producer continued to publish a wide range of material believed to be of prime interest to Pool members and other Western farmers and their families. Major attention was given to topics such as the fluctuating prices of farm products, international wheat pricing and marketing, the new fertilizer plant at Calgary and the Pool packing plant at Brandon, St. Lawrence Seaway tolls, and national and international events.

The agricultural section was expanded during the year with greater emphasis on the business aspects of farming and also on events and trends in other countries, and to publication of research information on all phases of agriculture.

Particular attention in the co-operative section has been given to the role of co-operatives in improving the lot of under-privileged people in Canada and elsewhere in the world.

Net paid circulation totalled 149,722 at the year-end, representing an increase of 2,351 from the previous year. General improvement was noted in subscription



Examples of color printing produced by Modern Press.

production, particularly in direct subscriber sales.

Prairie Books Department

A total of 9,114 books were sold direct or through dealer outlets, as compared with 5,473 the previous year. New books published during the year included, "Farm Machinery in Perspective," "Best of Edna Jacques", "Along the Old Melita Trail", and the "Physicians Manual on Alcoholism".

Insurance

The Western Producer accident insurance plan had a satisfactory year from an earnings point of view. The program was expanded with the introduction of a liability policy in Saskatchewan, providing protection against financial loss resulting from liability suits.

Advertising

Gains were made in the sale of both classified and display advertising, a combined total revenue of \$493,724, representing an improvement of 5.2 per cent over the previous year.

Operations for the year resulted in a loss of \$147,490 made up of a surplus of \$113,124 for the Commercial Printing Department and a loss of \$260,614 for The Western Producer. The loss on combined operations a year ago amounted to \$161,886.

Total sales volume for the division from all sources amounted to \$1,787,872, a gain of \$323,120.

Although the financial position of the newspaper still leaves much to be desired, the Board of Directors hopes that new developments will bring improvement.

Pool Livestock Division

It is with deep regret that your Board of Directors records the death of Mr. John Graham who was manager of the Livestock Division from 1964 until his death in September 1966. Mr. Graham had served producers in co-operative livestock marketing in Saskatchewan for nearly 40 years. He was well known and highly respected in the trade. He will be missed in the Pool organization and the livestock industry.

Provincial marketings of cattle and calves reached a new high during the year, nudging close to the figure of a million head. Sales of 584,000 cattle and calves through the Pool's Livestock Division was also a record. The number of hogs and sheep sent to market in Saskatchewan declined and so did the number sold through the Pool. There was a decline, too, in the number of cattle and sheep on farms at June 1, 1966 compared to the previous year. Hog population rose slightly.

The Livestock Division of Saskatchewan

Pool had a good year. A new record was set in marketing cattle and calves when 584,000 head were sold through co-operative channels. The previous high was in 1964-65 when the number was 500,000 head. In spite of the larger numbers handled by the division, its percentage of the total dropped from 62 in 1964-65 to 58.5 in 1965-66.

Earnings of the division were slightly more than \$192,000. The previous year's earnings amounted to \$195,000. The difference was accounted for by a reduction in the share of earnings received from Canadian Livestock Co-operative (Western) Ltd.

Provincial hog marketings in 1965-66 were 433,000 of which 103,000 were delivered to the Livestock Division. During the previous year, 438,000 were marketed in Saskatchewan with 140,000 going through Pool facilities.

Sales of sheep and lambs in the province continued to decline. Total marketings in Saskatchewan were 51,500

head of which one-third were sold through the division.

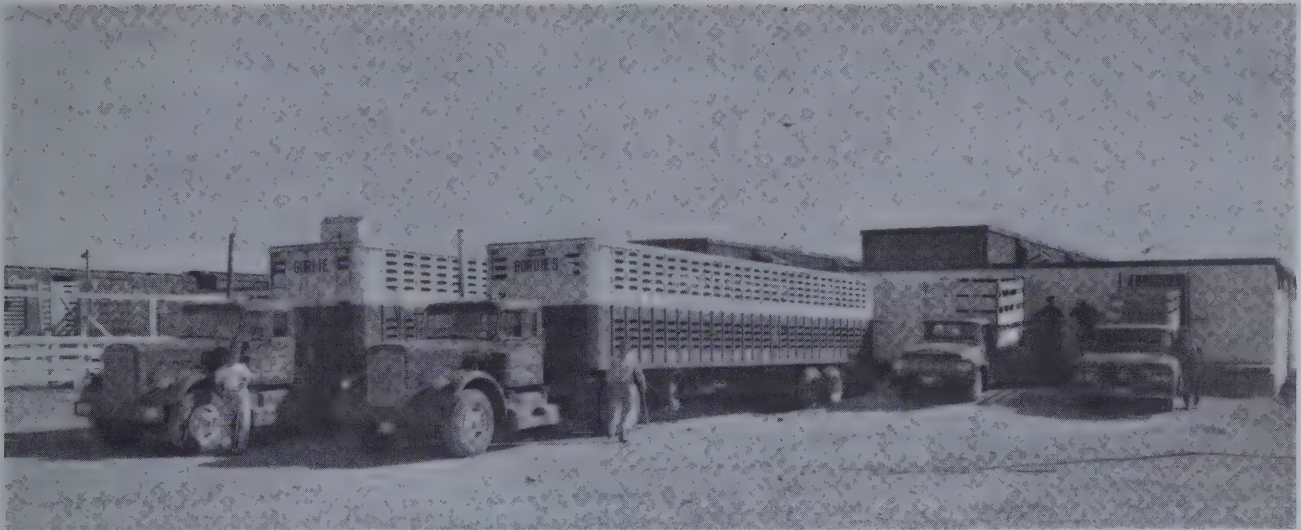
The policy of supporting prices on all grades of cattle, hogs and sheep was continued at all branches. The policy was not required for any particular period, however it was necessary to take action periodically to support the price when there was a shortage of local orders. In 1965-66 the division pooled 102,700 cattle at a cost of 40 cents per head. Total cost to the division was \$40,987.

Generally stronger American markets influenced the price and distribution of Canadian cattle in every month of the year. Exports of feeder cattle were substantially higher than in the previous year. Out of the 318,000 feeder cattle sold through the Pool's Saskatchewan yards and agencies, 78,000 were exported to the United States.

The first full year of operations in the new facilities at Moose Jaw have resulted in increased handlings of 50 per cent more than the previous year. A major

Livestock marketings in Saskatchewan were at an all-time high in 1965-66.





Trucks loading at new yard in Swift Current—Pool expands facilities to keep pace with industry growth.

renovation was completed at the Swift Current yard and it is expected that these improvements will result in increased efficiency in this market.

A total of 31 country cattle sales were conducted by the Pool in conjunction with local agricultural organizations at Tompkins, Climax, Consul, Piapot and Meadow Lake. Total handlings at these sales were 14,653 head.

Feeding Co-operatives Over-shadowed by Grain

During the year under review, a gradual decrease continued in the number of cattle on feed through feeding co-operatives. A better-than-average grain marketing situation has been largely responsible for this trend. Associations in the southern part of the province were dormant, while those in the north were expanding.

Extension Department staff conducted an inventory of all feeding co-operatives in December, 1965. The survey indicated some variety in the type of operations being financed. It showed that the co-operatives continue to serve a useful purpose though some modification may be required as a result of further experience.

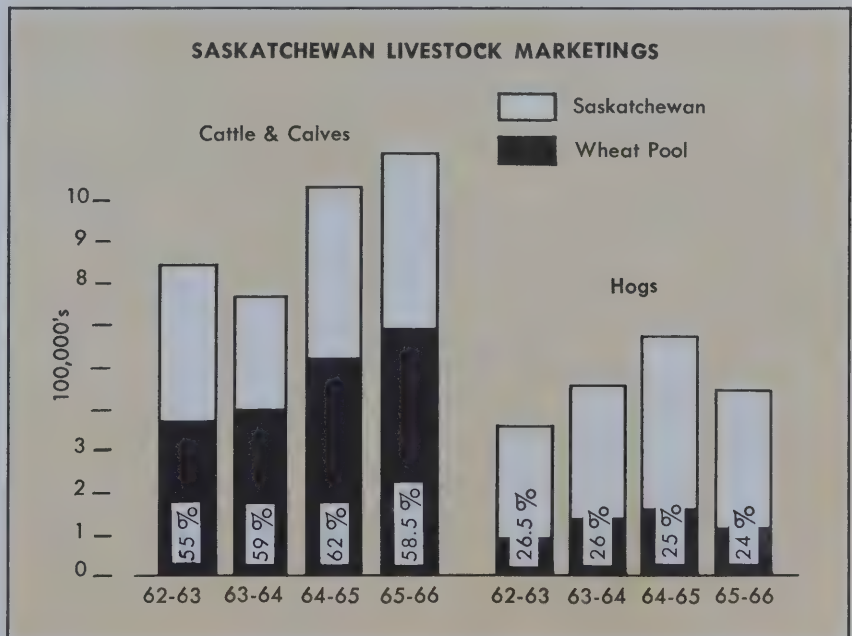
Thirty-seven associations with 12,400 cattle on feed were in operation at July 31, 1966. A year earlier there had been 39 associations feeding 13,900 cattle. Outstanding loans at the year-end were \$1,200,000 compared to \$1,300,000 a year earlier. Peak of the operation was in 1963-64 when 40 associations had 16,400 cattle on feed.

Canadian Livestock Co-operative

During the year under review Canadian Livestock Co-operative (Western) Ltd., handled 325,000 head of livestock of which 139,000 originated in Saskatchewan. Gross value of all livestock going through the co-operative amounted to \$40,500,000. This was an increase of \$6,000,000.

Operating surplus for C.L.C. (Western) was nearly \$120,000. Saskatchewan Pool's share was about 36.5 percent or \$43,800.

There is a strong movement on the part of major packers to encourage contract feeding and direct deliveries. Determined support of terminal markets by farmers will be necessary to protect the producers' interest in the market place.



Extension Department Explores New Areas

The name of the Country Organization Department was changed at the end of the year under review to Extension Department to describe more accurately its developing responsibilities. Several administrative changes were made during the year to improve efficiency and effectiveness.

A number of programs involving members were organized during the year. One of the more significant of these was the series of shareholders' annual meetings. Objectives of the series were these: To report on all the activities in which the Pool was engaged during the year; to broaden member understanding of Pool services; to develop a better understanding of the organization's aims and objectives; and to provide members an opportunity to take part in development of Pool policy.

Extension department staff participated with Co-operative Public Relations Federations in organizing rural leadership courses and courses on co-operative information. Seventy such meetings were held

with participants representing a cross section of leaders from all co-operatives. This type of program helps to strengthen ties among co-operatives at the community level.

Wheat Pool Committees

There were 1,033 Wheat Pool Committees active in Saskatchewan at July 31, 1966. Three major programs were organized for committees in 1965-66.

Goals in Grain Marketing:

The department held workshops to introduce this program to fieldmen and delegates. More than 700 meetings attended by 6,000 committee men and others were held during the series. Pool agents were involved throughout the program. Close co-operation among agents, committee men and field staff was, no doubt, a factor in increasing handlings and handling percentages at Pool elevators.

Role of the Delegate:

Change in membership of Pool committees amounts to about 15 percent a year.

This suggests the need for a continuous program of information and education. Fieldmen last year conducted a number of meetings to acquaint the committee members with the role of the delegate in the organization's structure. The meetings will be continued.

Banquet Conferences:

Committee members appear to show considerable interest in banquet conferences. Last year, 159 conferences were held. Attendance was 15,200 compared to 14,900 at 161 conferences the year before.

An expanded program of delegate training was conducted in 1965-66. Two-day workshops on principles of adult learning were held in 10 districts. Most directors have attended the senior policy-makers' course at Western Co-operative College and members of the board's education committee have attended a variety of courses on related subjects.



Thousands of Pool shareholders are involved each year in discussions of farm policy. . . . The Pool provides an opportunity for each member to make his voice heard.

Staff Training

The department works closely with the Personnel Department and with management in developing staff training programs. The year's program included special courses for 103 senior agents who will provide on-the-job training to new agents. A course was designed to provide basic orientation with respect to Saskatchewan Wheat Pool for agents with less than two years' experience. Assistance was given in organizing sectional meetings for agents on questions closely related to the program "Goals in Grain Marketing." Other courses included a basic course in supervision, a merchandising course in the Farm Service Department and a business administration course for management personnel in the Livestock Division.

Extension specialists in the department, in co-operation with extension workers from the Department of Agriculture, the university, Power Corporation, Federated Co-operatives and federal research stations, organized 30 Farm Family Fairs. These were attended by 4,250 persons and indicated a widespread demand among farmers for access to the latest technical information.

Develops Farm Scale

The livestock extension section published nine bulletins during the years. These had a circulation of about 4,000 copies. The section also worked closely with the agricultural engineering department at the University of Saskatchewan in developing and testing an inexpensive farm scale to assist livestock producers measure performance of animals on feed.

The department worked with Western Co-operative College and other co-operatives in joint educational programs and services. It helped organize field trips for overseas students at Co-Op College. The Pool sponsored 17 teachers attending a co-operative information course at the college.

Eleven co-operative schools for young people were held in July. One new school was organized at Beauval Mission, 125 miles north of Meadow Lake. It was attended by 42 students from eight widely scattered Indian and Metis communities. Total attendance at co-op schools was 770.

The department continues to develop new ways of involving members in the main stream of farm organization activity. Continued efforts in this direction are



The Pool begins on the farm: its interest is in improving social and economic conditions of farm families.

essential to maintain a sound democratic structure and the steady growth and development of Saskatchewan Pool to meet the needs of a changing agricultural community.

Personnel Department

Saskatchewan Wheat Pool had 3,170 persons on staff at July 31, 1966. Largest single group of employees was elevator agents, assistants and helpers numbering 1,100. Next largest group was 792 hourly terminal workers at the Lakehead and Vancouver.

The aim of the Personnel Department is to provide the organization with services in fields of staff recruitment, administration of salary plans, fringe benefits and

maintenance of uniform employment policies in all divisions and departments.

The Canada Pension Plan became effective during the year. After examination of the effect of the plan on company superannuation plans, the Board of Directors decided to integrate the two plans. The department also undertook a close examination of the implications of the Canada Labor (Standards) Code as it relates to employment among elevator agents and construction workers. Application of the code to country elevator operation has been deferred to July 31, 1967, to permit further study of its effect.

More than 50 members of Wheat Pool staffs are engaged in advanced study, many of them at the university level. Last year 150 employees were enrolled in orientation courses administered by the department.



Wheat Queen float in Travellers' Day Parade, Regina. Publicity department supplies Pool committees with material for floats in local parades.

Secretarial Division Serves Board and Members

The aim of the division is to provide corporate secretarial services for the company, administrative services for the Board of Directors, and research and publicity services for the organization.

The division assures that procedures for democratic control are maintained, and helps to provide liaison between the Board of Directors, delegates, and appointed officials of the organization.

Through the Research Department, assistance is provided to the Board of Directors in the development and implementation of farm policies. This department also assists management in researching operational problems.

Through the Publicity Department, public relations, informational and advertising services are provided.

In seeking to achieve the above objectives, the division works in close co-operation with the Extension Department, and other divisions of the organization.

Publicity Department

Advertising Services: Institutional advertising designed to present the aims, objectives and policies of the organization was carried in all media. The principal vehicle was *The Western Producer*, sup-

ported by advertising in Saskatchewan weekly newspapers, a number of magazines published by special groups within the province, school year books and other publications. A modest amount of advertising relating to problems facing Saskatchewan grain producers was inserted in leading newspapers and magazines published outside the province.

The department administered advertising programs on behalf of the Country and Terminal Elevator Division, the Farm Service Department and the Flour Mill Division.

Public Relations and Information

One of the department's major programs in public relations and information was the production and presentation of six 30-minute telecasts in the *Prairie Journal* series. A season-end survey indicated a substantial audience for this series.

The talent program was carried again on television and radio station CKBI, Prince Albert. It was used for both commercial and institutional advertising.

Radio farm news service was continued twice a week during the winter months and once a week during the summer.

These programs provide a continuing voice for the Pool on a year-round basis which can be used to advantage when it is important to reach the membership quickly.

The department prepares and issues a large number of press releases during the course of the year. These have found a high degree of acceptance in all media.

A new information program was established during the year with the commencement of the weekly column *Pool Notes* in *The Western Producer*. This appears to be a useful addition to the department's total program.

Special Events

Some of the special public relations programs in which the department was involved during the year were:

Preparation of parade floats for use by local committees; displays at exhibitions; official opening of the new livestock yard at Moose Jaw; entertainment of farm boys and girls attending camps at a number of exhibitions, and of farm co-operative and other groups on behalf of the organization; arranging tours in Saskatchewan for Canadian Wheat Board Missions from abroad and assistance to a number of other visitors from outside Saskatchewan; and publication and distribution of pamphlets related to the organization and to Saskatchewan agriculture and the co-operative movement.

Research Department

Research activities of special interest to the Pool were undertaken during the year in a number of areas by one of three methods: by our own research department, by outside agencies with some form of Pool assistance, and by outsiders working without any direct assistance but often with Pool encouragement and co-operation. Following are some of the areas in which research work was completed in 1955-56:—

Farm Policy: Questions of farm policy continue to be a major concern of the Board of Directors and Pool officials and the department undertook a variety of studies and prepared material for the board and officials on virtually all matters of farm policy under consideration during the year.

Grain Marketing: A special report was prepared for the three Wheat Pools on questions relating to Canadian grain marketing. It was presented to a general

meeting of the grain trade called to consider matters relating mainly to grain grading and handling. The Board of Grain Commissioners has established a study committee.

Grain Movement: The department undertook a study of questions relating to grain delivery quotas, boxcar allocation and grain movement from country elevators including boxcar and motive power supply, and changing demand for railway services.

Wheat Board Powers: A submission proposing that the powers of the Canadian Wheat Board be extended to the marketing of rye, flax and rapeseed was prepared for presentation by the Western Agricultural Conference to the Federal government in May.

Livestock Data: The department studied the collection of livestock marketing data by the Federal government and designed an alternative procedure for its collection. A trial of the new collection procedure was undertaken at one of our yards.

Beef Improvement: A member of the re-

search staff spent three months working directly for the Canadian Federation of Agriculture in preparation of special background material for the Canadian Beef Improvement Conference in September 1966.

Hog Marketing: A member of the research staff assisted in a special study for the Saskatchewan Advisory Swine Council on Hog Marketing in Saskatchewan.

Industrial Projects: Work was continued by the flour mill and vegetable oil plant on questions relating to the use of flour in the potash mining flotation process, and in the use of rapeseed oil as an industrial lubricant. Testing was continued on a new rapeseed variety with special characteristics for the edible oil trade.

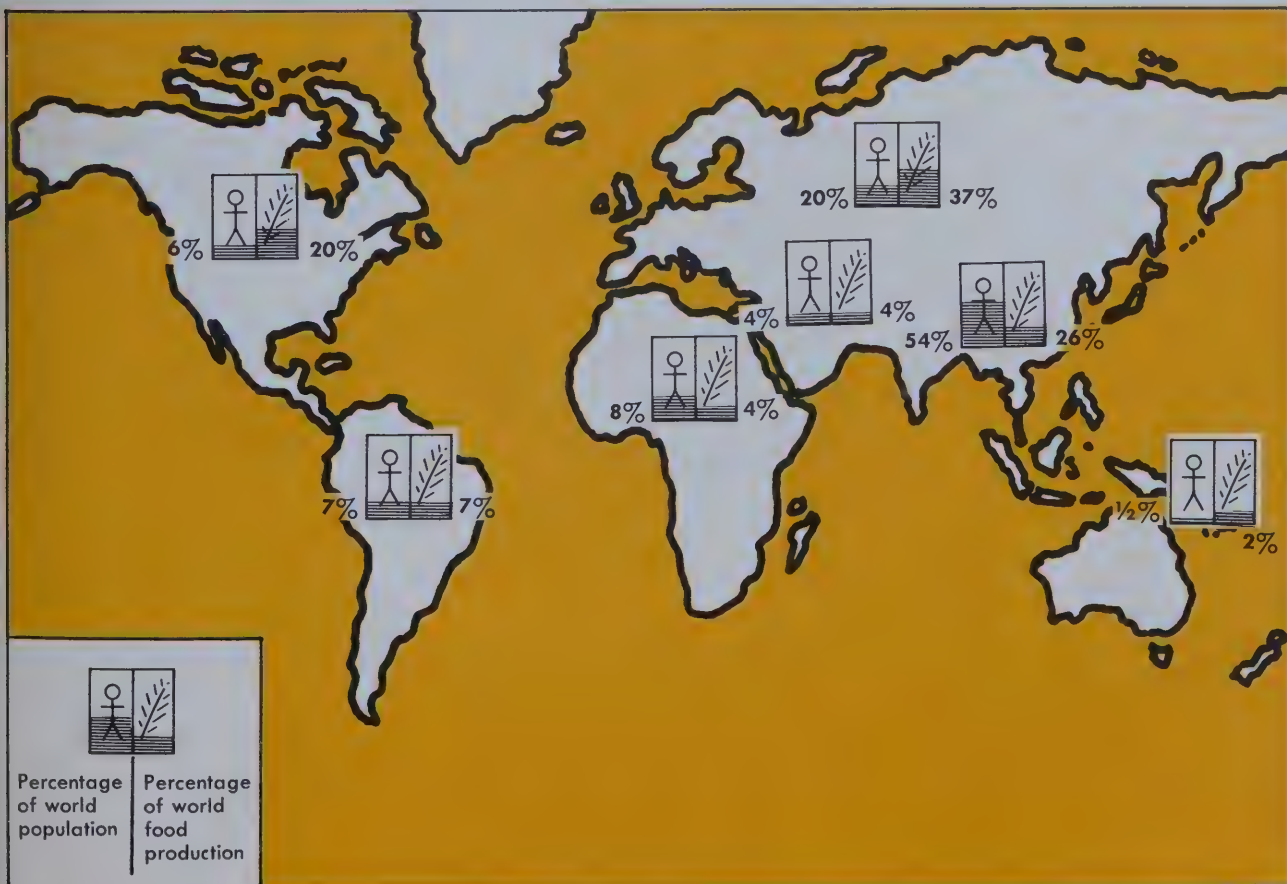
Municipal Tax Collection: A submission on the question of collection of municipal tax arrears by country elevator agents was prepared for presentation to the provincial government in November, 1965.

Land Tenure and Transfer: The department undertook preliminary work on land tenure questions and during the year worked

with representatives of the provincial agriculture department to outline a possible comprehensive study. The provincial government has been asked to consider a study, perhaps on a cost sharing basis under ARDA.

Seaway Tolls: The department undertook a number of studies relating to tolls on the St. Lawrence Seaway. A submission on the question was prepared for the three Wheat Pools and presented to the Seaway Authority in Ottawa in May. Later the Federal government announced there would be no immediate increase in tolls.

Surface Rights: The department studied the question of farm land being used for petroleum development in Saskatchewan with the assistance of a number of Pool delegates who helped in distributing a questionnaire among members. On the basis of the study, a submission was prepared for presentation to a Saskatchewan Royal Commission on surface rights and pipeline easements.



Pictograph based on work done by Research Department in development of material for policy discussions by Board of Directors.



Agriculture students study science of farming.

Junior Activities

The Pool has always been aware of the need to encourage development of the 4-H movement in Saskatchewan, and to this end has provided assistance by way of a \$10,000 annual grant to the University of Saskatchewan Extension Department for work in the 4-H field.

Other aid, provincially, has been to sponsor functions for the 4-H Council and for farm camp members at six exhibitions. Throughout the districts, Wheat Pool fieldmen lend assistance at rallies, fairs, and selection interviews. Many Wheat Pool people act on District 4-H Councils.

At the local level, sponsorship of local clubs, awards at achievement days, presentation of trophies and provision of leadership are a few of the many junior activities the Wheat Pool supports.

Membership in 4-H clubs remained fairly steady at about 13,000 during the year. Nearly 2,750 adults are involved in club leadership.

A concentrated effort has been made in planning and development of Camp Rayner as a permanent 4-H camp near Birsay on Lake Saskatchewan. It will provide accommodation for 600 4-H club members each summer. It will also be

available for use as a residential centre for adult leadership training. The cost of the buildings and site development are being borne by the Saskatchewan 4-H Foundation.

Bursaries and Scholarships

Saskatchewan Wheat Pool continued its program of helping young people further their education. It makes available a number of bursaries and a scholarship to Saskatchewan young people.

The G. W. Robertson memorial scholarship, valued at \$1,200 annually, was established by the Board of Directors to honor the Pool's first secretary. It may be used at any approved university for graduate work.

Selection is made by the scholarship committee of the University of Saskatchewan from residents of the province. The scholarship for 1966-67 is held by Mr. George Edward Lee of Watson for a second year. He is working toward his Doctor of Philosophy degree in agricultural economics at Purdue University.

Two McPhail bursaries have been established in honor of the late Mr. A. J. McPhail, first president of the organiza-

tion. The bursaries are now valued at \$500 each. The awards are made available to candidates selected from girls attending the Farm Girls' Camps at Regina and Saskatoon exhibitions. The scholarship committee of the University of Saskatchewan selects the winners on the basis of their standing at the camp, character, and leadership ability. Miss Wendie Scholz of Langenburg and Miss Elizabeth Olson of Sandwith were selected by the committee as bursary winners in 1966.

School of Agriculture Bursaries

A total of 32 bursaries valued at \$250 each are available to selected candidates to the two-year School of Agriculture course at the University of Saskatchewan. A scholarship committee from the School of Agriculture selects one candidate from each of the 16 Wheat Pool districts. Awards are made on the basis of merit and need, taking into account academic standing, community activity, 4-H Club work and general leadership qualities. The bursaries are renewable for a second year.

Expansion Brings Fresh Challenges

This concludes the Board's report on a most successful year of operations. There is, however, no room for complacency. As the organization grows and its commercial operations expand, new problems become apparent:

The need for greater flexibility of operations to meet rapidly changing farm conditions. . . .

The need for capital to provide the facilities and services for Saskatchewan's modern farm industry. . . .

The need for courage to meet the challenges, and take the risks demanded of great co-operatives today.

This year's record crop is evidence again of nature's kindness, but science and the farmers' ingenuity deserve much credit too. Within Saskatchewan in the coming year the Pool will continue to provide service in keeping with the rapid

growth of the members' own farm operations. Internationally the Pool will continue to seek farm and trade policies to improve the farmer's income position and ensure food supplies to meet the growing world population.

Your Board is confident these challenges can be met through the capable and loyal service of management and staff, the guidance of this delegate body, and the continued dedicated support of Pool members.

All of which is respectfully submitted.

A. G. PEDERSON	H. F. McLEOD
CLARENCE McKEE	D. M. LOCKWOOD
G. C. ANDERSON	CHAS. W. GIBBINGS
WALTER MELROSE	E. A. BODEN
A. E. GRIGG	S. M. SMITH
J. R. STILBORN	GORDON SOUTH
J. H. HARRISON	J. W. MARSHALL
E. J. SJOLIE	E. K. TURNER

month period to June 30, 1966, 144,154 tons of all products was produced. A serious shut-down occurred in the ammonia plant in the early stages of operation and several other process difficulties were encountered during the year. These problems were corrected and optimum production was being achieved at the year end.

Western Co-operative Fertilizers Limited was incorporated in February 1964 under the joint ownership of Federated Co-operatives Limited, Alberta Wheat Pool and Saskatchewan Wheat Pool. The complex has a rated production capacity of 225,000 tons of fertilizer annually.

Present estimates indicate that the requirements of the three shareholder organizations will this year exceed production capacity and plans are under way to expand the facilities at the plant.

Despite the difficulties encountered the plant has achieved financial success in its first year of operation. A modest net savings resulted in a patronage dividend of \$2.50 per ton of sales to the three partners. More important is the favorable effect the new fertilizer organization has had in keeping product cost to western farmers at the lowest possible level.

Associated Co-operative Services

Canadian Pool Agencies Ltd.

Canadian Pool Agencies Ltd., is a wholly-owned subsidiary of the three western Wheat Pools. It earned a net surplus in 1965 of nearly \$74,000 in placing insurance on behalf of the three principals. It shares staff and offices with Pool Insurance Company. Its earnings are returned to the partners in proportion to patronage. Saskatchewan Pool's share of the earnings last year was \$35,000.

Pool Insurance Company

Pool Insurance Company has carried insurance on properties of the three western Wheat Pools which own it for 28 years. In 1965 it enjoyed a premium income of \$1,300,000 compared to \$1,400,000 the previous year.

Operating margin for 1965 was \$536,000 which was shared among the three principals according to patronage. Saskatchewan Pool received \$289,000 in excess charges refund.

Pool Insurance Company carries on an active year-round program of fire prevention and inspection of insured properties.

Interprovincial Co-operatives Limited

During 1964 the Pool became a member of Interprovincial Co-operatives Limited. Membership in Interprovincial was deemed advisable because the Pool looked to this organization as a supplier of fertilizers, agricultural chemicals and twine. Since the organization of W.C.F.L. the fertilizer purchase arrangements have changed, but the Pool continues its relationship with IPCO in securing the other products.

Total assets of IPCO exceed \$10,000,000, with members' equity of \$2,500,000 provided from patronage refunds retained as shares and loan capital. The volume of central purchases through IPCO in 1966 is expected to total \$37,000,000. The major project of IPCO in recent years has been the establishment of a large-scale basic chemical plant at Saskatoon which produces the basic ingredients for agricultural chemicals.

Western Co-operative Fertilizers Limited

All plants involved in the new fertilizer complex at Calgary were on stream at November 1, 1965. During the eight-

Co-operative Insurance Services Limited

The progress of Co-operative Insurance Services has been gratifying since the Pool made available the original funds for its establishment in 1945. Assets reached \$34,400,000 at June 1966, an increase of \$3,000,000 from December 31, 1965.

Both the life insurance and fire and casualty insurance companies are experiencing an excellent year in premiums written and underwriting results. Typical of the many additional services available through co-operative insurance is The Western Producer Accident Plan.

The portion of co-op insurance investments placed in co-operative securities continues to rise, reaching 49 percent in 1966. This represents a considerable increase in the funds available for expansion of the co-operative movement in Canada and abroad.

With reorganization in 1963, control of the co-operative insurance companies has been placed firmly in the hands of central co-operatives and credit societies. The Pool continues as a major shareholder of the insurance company.

Canadian Co-operative Wheat Producers

The Board of Directors of Canadian Co-operative Wheat Producers Limited is made up of the three executive officers of Manitoba Pool Elevators, Saskatchewan Wheat Pool and Alberta Wheat Pool. C. W. Gibbings, president of the Saskatchewan Wheat Pool, was president of the Central Board for the year under review and W. J. Parker, president of Manitoba Pool Elevators was vice-president. These two, along with Gordon L. Harrold, president of Alberta Wheat Pool, constitute the executive committee of the organization.

The Board of Directors held five meetings during the year and business transacted at the meetings included things in which the three Pool organizations had a common interest. These included:—

Opposition to increases in Seaway tolls.
Opposition to the imposition of tolls on the Welland Canal.

International Wheat Agreement.

Railway rationalization.

Wheat utilization.

Bread improvement campaign.

Proposed amalgamation of three Wheat Pools.

A fundamental research study on co-operation undertaken by the Economics Division of the Faculty of Agriculture, University of Manitoba, was scheduled to be finished about the end of August, 1966, however, a further study to be conducted by the same department of the University of Manitoba has been approved for the next two years.

International Pool Meetings

During the year under review the Boards of Directors of the three provincial Pools met in joint session on two occasions. These meetings were held on January 19-20 and July 21-22. Items which came up for consideration at these meetings in addition to those noted in the report of the Central Board were:

Labour Standards Code as it affected Pool elevator agents.

IFAP meeting in November 1965 in Rome of members of European and North American regions at which C. W. Gibbings, president C.C.W.P., was in attendance representing the Canadian Federation of Agriculture.

Discussions with the Board of Grain

The International Federation of Agriculture returned to Church House, London, for its 20th anniversary conference in 1966. Canada's delegation is seated lower left.



Table I.

EXPORTS OF WHEAT AND FLOUR IN TERMS OF WHEAT

From the Four Principal Exporting Nations
(Dominion Bureau of Statistics)
—in million bushels—

Crop Year	Total	Argentina	Australia	United States	Canada	Canada's % of Total
1959-60	984.7	76.5	117.8	513.1	277.3	28
1960-61	1,291.6	62.9	198.0	677.5	353.2	27
1961-62	1,377.5	95.5	219.8	704.2	358.0	26
1962-63	1,228.9	60.7	186.2	650.6	331.4	27
1963-64	1,827.3	106.5	274.0	852.3	594.5	33
1964-65	1,555.9	174.3	245.1	736.9	399.6	26
1965-66	1,918.1	283.0	193.3	859.0	582.8	30

Table II.

MAJOR IMPORTERS OF CANADIAN GRAIN AND WHEAT FLOUR

(millions of bushels)

	1965-66*	1964-65	1963-64	1962-63	1961-62
U.S.S.R. (Russia)	199.3	10.6	184.0	—	—
Britain	89.0	95.2	106.5	103.4	99.8
China, Communist	77.9	64.4	56.0	57.5	91.3
Japan	69.2	67.8	61.6	51.7	53.6
Germany, Federal Republic of	34.6	26.6	40.6	35.5	48.0
Others	197.4	209.3	225.7	136.3	124.5
Total	667.4	473.9	674.4	384.4	417.2

*Includes August to June Wheat Flour Clearances.

Table III.

LONG-TERM SALES OF GRAIN

Date	Country	Term	Quantity in millions of bushels	Remarks
Aug. 11/65	USSR	1 year	187	Included 400,000 bushels in form of flour.
Oct. 28/65	Mainland China	Aug. 66 to July 69	112 to 186.7	With provision for increased quantity or five year period.
Apr. 5/66	China	Aug. through Dec. 1966	59.7	Part of 3 year contract.
June 20/66	USSR	Aug. 66-July 69	336	Three year contract.
	USSR	Aug. 1 to July 31/66	112	Part of 3 year contract.
July 26/66	Poland	Aug. 66 to July 69	33 to 44	Three year contract.
		Aug. to July 31/66	11	Part of 3 year contract.

Commissioners re proposed changes in grading methods.

Kennedy Round of discussions at the GATT Conference in Geneva re an international cereals agreement.

Proposed feed grain legislation providing for the establishment of a Canadian Livestock Feed Board to operate in Eastern Canada and British Columbia.

Western Agricultural Conference

The Western Agricultural Conference, the prairie arm of the Canadian Federation of Agriculture, was held in Winnipeg on January 21-22, 1966. Approximately 50 resolutions were discussed and many of them were forwarded to the Canadian Federation of Agriculture for inclusion in the list of resolutions to come before that body.

Canadian Federation of Agriculture

The 30th annual meeting of the Canadian Federation of Agriculture was held late in January 1966. On February 22, representatives of the Federation met the Prime Minister and members of his cabinet to present the decisions of the annual meeting.

Views of Canadian agriculture as expressed by the national organization of farmers covered a broad range of subjects. Some of particular interest were: the request for a concerted and effective attack on the problems of rural poverty and a fresh approach to the development and rationalization of farm holdings; and "a national policy establishing the principle of reasonable protection of the grain grower from the impact of inadequate world prices."

On the strength of resolutions passed at the annual meeting of the Federation, a request was submitted to the Government of Canada for establishment of labour courts as a means of handling disputes in certain designated industries.

The Federation also requested the Government of Canada to provide compulsory arbitration under certain specific circumstances. These would include situations where the annual livelihood of producers of perishable products, such as vegetables, is threatened by a strike in processing plants or industries.

INTERNATIONAL FEDERATION OF AGRICULTURAL PRODUCERS

The 15th general conference of International Federation of Agricultural Producers was held in London in May, 1966. Among those attending were E. A. Boden, second vice-president, and I. K. Mumford, secretary, Saskatchewan Wheat Pool. (See picture on page 30.)

The IFAP looked broadly at international aspect of agriculture as they affected producers in many countries. Special attention was devoted to problems of food production in the developing countries.

The concluding statement included a strongly worded section on the principle of international commodity arrangements with special reference to the International Wheat Agreement. Here is what it said in part:

"The conference was in clear accord that the progress so far achieved in the stabilization of world prices through the present and preceeding international wheat agreements must be maintained as a minimum necessity. . . . The producer organizations represented in IFAP, primarily believe that the policy of carrying on the world's trade in wheat and indeed on other grains on the basis of negotiated international agreements is the right one."

AGRICULTURAL REHABILITATION AND DEVELOPMENT

The Agricultural Rehabilitation and Development Act (ARDA), is designed to help rural people adjust to the social, economic and technological changes which have affected their livelihood. The Act provides for programs involving more effective land use, especially with respect to marginal and sub-marginal agricultural lands; the conservation and improvement of the productivity of lands suitable for agriculture and development and conservation of rural water supplies; the development of opportunities for improved income and employment in rural areas and the carrying out of research necessary to the implementation of these programs.

INTERNATIONAL WHEAT AGREEMENT

The 5th International Wheat Agreement which originally was drafted as a three year agreement and to expire on July 31,

1965, was extended for a one year period for a second time so that it will now expire July 31, 1967.

At the Interprovincial Pool Meeting held in July 1966, it was agreed that the Government be notified that the three Pools would not support a further renewal of the International Wheat Agreement unless the price ranges were revised.

World Food Program

The original World Food Program was a multilateral aid program, set up jointly by the UN and FAO on a three year experimental basis commencing January 1, 1963 and ending December 31, 1965. It has been extended for a second 3-year period.

The initial 3-year budget target was \$100,000,000 (U.S.). The total pledged was \$94,000,000 (U.S.). Canada's initial contribution was \$5,000,000 (U.S.), together with a \$2,000,000 supplementary pledge. This made Canada the third largest contributor, exceeded only by the United States and Germany. There were 70 contributing countries.

The UN and FAO Conferences in December 1965 approved the extension of the World Food Program and agreed to a target of \$275,000,000 (U.S.) in the next three years. The target calls for 33 percent of the total to be in cash and services.

Canada's Agricultural Minister, Hon. J. J. Greene, in January formally pledged \$27,500,000 (U.S.) funds (almost \$30,000,000 Canadian) to the program as Canada's share over the next three years. Three-quarters of the Canadian contribution will be in commodities and the remainder in cash.

In addition to providing bilateral assistance, Canada has contributed \$17,500,000 to a number of multilateral aid programs, such as the UN Special Fund, UN Expanded Program of Technical Assistance, UN Children's Fund, and the International Development Association.

The 16th meeting of the Consultative Committee of the Colombo Plan, held in March 1965, agreed to an extension for a further period of 5 years—from 1966 to 1971. Since 1951, and including the fiscal year 1964-65, Canadian contributions under the plan have amounted to \$528,678,000.

Conclusion

Farm operating costs continue to increase thus aggravating the intensity of the cost-price relationship.

In 1965 farm operating expenses and depreciation reached a new high level of \$2,641,000,000, 6.3 percent above the estimate of \$2,485,300,000 a year earlier. All items considered in the estimates of farm operating expenses were higher in 1965 than in 1964. For the third consecutive year fertilizer was the item for which the greatest percentage of increase in outlay was made.

The following tabulation shows the steady upward trend of farm costs—1935 to 1939 representing 100:—

Western Canada (Index)

1962	1963	1964	1965
285.3	290.9	302.6	314.6

The above period of years represents the period covered by the International Wheat Agreement which provided for a price range with a floor of \$1.62½ and a ceiling of \$2.02½. For a good portion of the period during which the Wheat Agreement was in operation prices were almost at the ceiling. The price range now is regarded as being totally unrealistic and it is for this reason that the Wheat Pool organizations have notified the Government of Canada that they will no longer support a further extension of the current agreement unless the price range is adjusted upwards.

Respectfully submitted

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W. J. PARKER
G. L. HARROLD

H. B. SNEATH
G. G. JAMIESON
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A. J. MACPHERSON
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